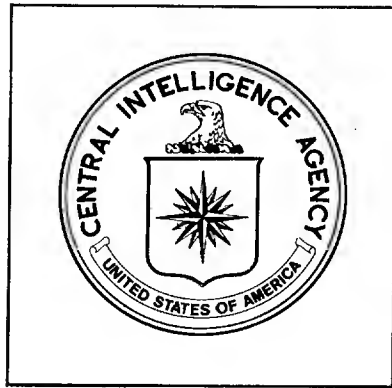


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**REGIONAL AND
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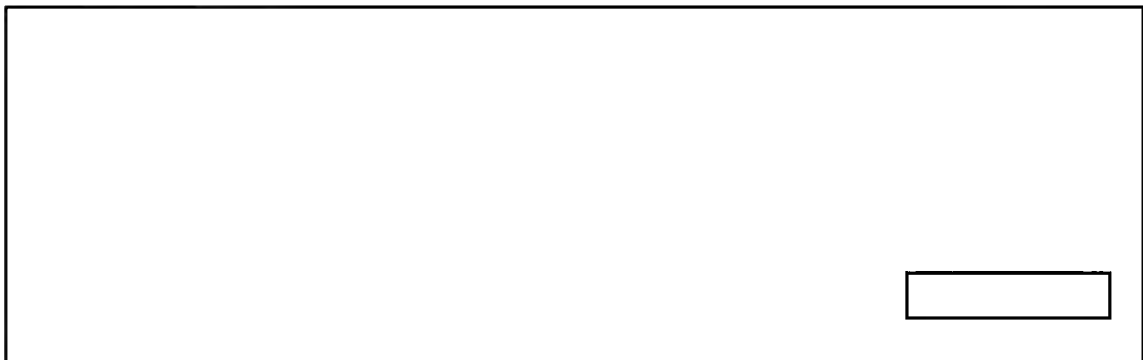
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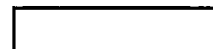


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The Draft Constitution: Popov Proposes Radical
Restructuring of System for Managing Soviet Economy

An article by Professor G. Popov in *Pravda* on July 6 proposes several constitutional amendments which, if adopted, would mean radical changes in the bureaucratic structure for administering the Soviet economy. Although most of Popov's ideas have been discussed in the Soviet media on previous occasions, he is the first to propose that they be written into the draft constitution.

Intersectoral Organs

Popov begins by proposing an amendment that would specify that the all-union ministries and state committees are not only responsible for administering a given sector of the economy throughout the USSR, but are also jointly responsible for solving the most important "intersectoral problems." According to Popov, the need for a law defining the procedure and mechanism of the various organs of management is "obvious."

Popov also asks if it is not "expedient" to name in the constitution the "most typical" nodes of intersectoral cooperation--Gosplan, Gosstroi, the Ministry of Finance, Gosstroy, and the USSR Central Statistical Administration--and define precisely which group of organs is responsible for the solution of any particular group of problems as well as which of them bears the major responsibility for this. The State Committee for Science and Technology, for example, would be recognized as having the primary responsibility for progress in the technical fields.

Popov says it would be "useful" to have the new constitution note the "special" role that Gosplan plays among all the intersectoral organs as the "organizer" of centralized economic statewide management. By the same token, there should be provision for the creation of new intersectoral organs--such as an interdepartmental committee responsible for the "rational use of nature" and environmental conservation.

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Popov notes that the draft constitution does not include a list of ministries under the USSR Council of Ministers and supports the idea that the constitution should provide maximum flexibility when it comes to creating new ministries or amalgamating existing ones. On the other hand, he questions the wisdom of the tendency in recent years to split ministries up into smaller units, noting that this has led to a situation in which industrial ministries are "extremely heterogeneous" in their functions.

Popov points out that some ministries are responsible for sectors, others for subsectors, and still others look after several closely related sectors. The "most alarming" point, however, is the fact that the major problems of scientific and technical progress which are of a uniform nature are, as a rule, handled by several different ministries. According to Popov, this arrangement makes the solution of the problems "more difficult."

Amalgamation into Super Ministries

For Popov, the best way to accelerate scientific and technical progress is to reorganize the system of ministries--for the most part, enlarging them through amalgamation. This will ensure that not only the main elements for the output of the final product, but also the basic factors for the growth of productivity and the main directions of scientific and technical progress are all in the same hands. Popov also says that it may prove "expedient" in a number of cases to create specialized "supraministerial" organs for the management of groups of homogeneous sectors which have "cropped up" in various departments.

Popov also notes that the ministries differ in that some control a sector throughout the country while others operate through republic ministries and other sectors--for example, highway construction--do not have any single nationwide organ of leadership. Insisting that some form of standardization is "essential" here, Popov argues for the union-republic structure of management as the "most promising." This would give a sector ministry "representation" in each republic.

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This local "representation" could take the form of a republic ministry or an industrial association, depending on the scale of production on the local scene, and the extent of the rights possessed by the republic organs would vary from sector to sector. Nevertheless, this standardization would regulate the republic level organs' efforts in developing enterprises subordinate to ministries or other agencies at the national level, and it also would provide a headquarters at the national level for those sectors whose management has, at present, been organized only at the republic level.

Turning to the territorial organs of management, Popov notes that the draft constitution has broadened the rights of the local organs of state management. According to Popov, however, it is "essential" to define what proportion of the assets and above all what sectoral capital investment must be realized on a centralized basis and what proportion via the territorial organs or with their "mandatory participation."

Popov also calls for a definition of the sources for the formation of territorial funds--from the state budget, from enterprise profits, from social insurance deductions, and from payments for natural and manpower resources--"the introduction of which has long been a matter of urgency." In this connection, Popov notes that logic "suggests" that ministries that are developing production in already inhabited regions and cities must make payments to the territorial organs since in such cases the sector is relieved of the expenditure on the construction of housing, the developing of transportation systems, and so forth.

The Reshaping of Oblast Borders

Popov also points out that the administrative-territorial boundaries have proved to be "divorced" from the real borders of the production complexes that have taken shape in the USSR. As a result, a single "economic bloc" or even a single production association "frequently finds itself under the jurisdiction of two, and even three territorial organs." According to Popov, the "time has come" to alter the borders of krays and oblasts "in a whole series of cases."

Popov notes that this can be done in two ways: by revising the administrative-territorial structure as a

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whole and bringing it into conformity with the economic complexes that have taken shape, or by introducing "economic zoning." In realizing the latter, however, it is "essential" to provide in the constitution for the procedures of economic zoning and the means of revising this zoning, and the rights and duties of the organ of management of such a zone.

According to Popov, this organ of management should be a "collegial organ--a kind of regional committee or ministry consisting of representatives of the sectoral ministries and also republic, kray, and oblast organizations operating in the zone." Popov denies that this would mean the resurrection of the *sovnarkhoz* system introduced by Khrushchev and discarded less than a year after his ouster in October 1964, "even in an altered form." According to Popov, the new organs of territorial economic management would be restricted to coordinating functions and solving local problems which can only be poorly resolved or cannot be resolved at all by the sectoral ministries operating within the region.

Popov also points out that the problems connected with the development of the Russian Republic's Non-Black Soil Zone confirm the "expediency" of providing in the constitution for the creation of organs for "programmed-targeted management." He says that the implementation of some inter-sectoral and inter-regional programs will require the creation of a temporary ministry or committee which would function for 15-20 years--such as, a Ministry for the Non-Black Soil Zone. According to Popov, it would be "useful" to have the new constitution specify who would have the right to form such organs, what the duties and term of activity of these organs would be, and so forth.

Brezhnev and Popov's Proposals

In sum, Popov has set forth a lengthy list of proposals which, if adopted, would usher in a period of organizational changes reminiscent of the years under Khrushchev, and very much at variance with the pattern during the Brezhnev years. At first glance, it would seem highly unlikely that Brezhnev and the other top Soviet leaders would give a green light to such sweeping changes at this time--if only because of the problems

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that such changes would create now that the draft constitution has been solidly endorsed by all who have met to "discuss" it.

On the other hand, most of the ideas put forth in Popov's article have been aired in public on previous occasions, and Brezhnev himself is on record as favoring at least some of these changes--for example, the notion that at least some of the industrial ministries should be merged into larger units. The Soviet leadership must recognize that at least some of the steps outlined by Popov must be taken to improve the system for managing the stagnating economy. Some Politburo members may also have come to recognize that some changes must be made more or less simultaneously, not in piecemeal fashion.

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Staffing the Party Bureaucracy: Stability Remains the Watchword

During his speech at the 25th Party Congress in February of last year, General Secretary Brezhnev pointed out that an end had been put to repeated replacement of party officials. He also noted that transfers occurred only when required by the business at hand or by a need to "strengthen" a given sector of work. He added, however, that this did not mean that it was possible to retain people who could not pull their weight, were irresponsible, or failed to move with the times. He expressed confidence that the congress would support the idea that "anyone who has lost the ability to assess his activity critically, has lost contact with the masses, is influenced by flatterers and sycophants, or has lost the trust of the communists, cannot be a party leader."

Whatever the implications for leadership politics, Brezhnev's remarks on the criteria for personnel changes not only defended the policies that have enabled party officials to enjoy an unprecedented period of job security, but also provided a justification for the housecleanings that had taken place in certain parts of the country since the 24th Party Congress in 1971. They also may have been meant to give a green light to additional changes in the future. The pace of such changes remains very slow, however. This certainly is to the liking of the "ins," but probably is very frustrating for younger party officials who are bored with the "old ways" and oppressed by the lack of headroom at present.

Changes in the Central Committee Apparatus

There has been some movement in the central party bureaucracy since the 25th Congress, but certain of these changes are of a fairly routine nature. For example, the appointment of V. G. Afanasyev as chief editor of *Pravda* in April 1976 was a follow-up to the elevation of his predecessor, M. V. Zimyanin, to the CPSU Secretariat at the congress. The appointment of R. I. Kosolapov as chief editor of *Kommunist* on the following day

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merely filled the vacancy created by Afanasyev's transfer to the top job at *Pravda*.

On the other hand, the elevation of V. A. Karlov from first deputy chief to chief of the Central Committee's Agriculture Department in May 1976 may have reflected a more important issue--the status of Politburo member F. D. Kulakov. Kulakov is believed to have headed the Agriculture Department up through the 25th Congress, even after having become a CPSU secretary in September 1965 and after having gained Politburo membership in 1971. Kulakov may have vacated the top post in the Agriculture Department immediately after the 25th Congress, however. An effort appears to have been made at that time to give him broader responsibilities within the leadership--an effort that seems to have petered out in recent months.

The appointment of K. V. Rusakov as head of the Socialist Countries Department in March of this year filled a vacancy that had existed since June 1972, when Rusakov had left that post to join Brezhnev's personal staff. Rusakov's subsequent elevation to the CPSU Secretariat at the May plenum makes him a much more powerful figure than he was during 1968-1972, when he operated under the aegis of then CPSU Secretary, now Deputy Premier K. F. Katushev. It is not clear, however, whether Rusakov will be more powerful than Katushev was when he was the CPSU secretary supervising the work of the Socialist Countries Department.

The appointment of Ye. M. Tyazhelnikov as chief of the Propaganda Department in May of this year filled a vacancy that had existed since April 1970, when V. I. Stepakov was removed and posted abroad as Soviet ambassador to Yugoslavia. It is noteworthy that this is the only vacancy involving a top post with the central party bureaucracy whose previous incumbent left office under a cloud, and that it took seven years to fill the vacancy. Tyazhelnikov's replacement as head of the Komsomol (youth) organization is B. N. Pastukhov, hitherto second secretary of that organization.

Changes in Regional Party Commands in the Russian Republic

The situation has been even more stable in Moscow, Leningrad, and the 70 other provinces making up the RSFSR.

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N. F. Aksenov replaced the late A. V. Georgiyev as first secretary in Altai Kray in April 1976. V. N. Makayev moved up into the number-two post in the Moscow city party organization in July 1976, after L. I. Grekov was transferred to the number-two post in the Uzbek Republic party organization. B. N. Yeltsin became first secretary in Sverdlovsk Oblast in November 1976, after Ya. P. Ryahov had been elevated to the CPSU Secretariat at the October 1976 plenum. V. K. Gusev became first secretary in Saratov Oblast in November 1976, replacing A. I. Shibayev, who had been elected head of the Soviet trade union organization. The vacancy created by the death of Ulyanovsk Oblast first secretary A. A. Skochilov has yet to be filled.

It is noteworthy that none of the above mentioned officials left office under a cloud, and that each vacancy was filled by an individual who had come up through the ranks in that particular organization. Aksenov had been the chairman of the Altai Kray Executive Committee; Makayev had been a party secretary with both the Moscow city and oblast party organizations; Yeltsin had been a party secretary with the Sverdlovsk organization; and Gusev had been the number-two man in the Saratov party command. The individual who eventually replaces Skochilov in Ulyanovsk almost certainly will also prove to be a "local boy who made good."

Changes in the Minority Republics

There have been no important changes in the Armenian or Georgian party organizations, and the only major change in the Transcaucasus came in April of this year, when Yu. N. Pugachev replaced S. V. Kozlov as second secretary in Azerbaydzhan. Kozlov, who had been appointed a secretary of the Soviet trade union organization in March of this year, had held the number-two post in Azerbaydzhan since May 1968, and was more than due for reassignment. Shortly before his departure from Azerbaydzhan, he had been awarded the honor certificate of the Presidium of the republic's Supreme Soviet "for services to the republic"--a sign that he left the republic in good order.

In Central Asia, A. G. Korkin replaced V. K. Mesyats as Kazakhstan second secretary in August 1976--five months

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after Masyats had returned to Moscow to become USSR minister of agriculture. G. S. Miroshkhin moved into Kor-kin's previous job as republic party secretary (presumably for industry) in November 1976--a major promotion for the former second secretary of the Mangyshlak Oblast party unit. The other change came in February of this year, when U. K. Kushekov replaced S. Mukashev as first secretary in Guryev Oblast, after the latter had become head of the Kazakh Republic trade union organization. Kushekov has been chairman of the Guryev Oblast Executive Committee.

The only change in neighboring Kirgizia came in July of this year, when K. Ye. Fomichenko replaced Yu. N. Pugachev as republic second secretary after the latter's reassignment to the number-two post in Azerbaydzhan. The selection of Fomichenko, formerly head of a sector in the Central Committee's Organizational-Party Work Department, is in keeping with the tradition of putting a "man from Moscow" in the number-two post in the minority republics. Tadzhikistan also can point to but one major appointment, the selection of G. Pallayev to head the party organization in newly created Kurgan-Tyube Oblast. Pallayev had been chairman of the republic's "Selkhoztekhnika" (Farm Machinery) Organization.

The situation has been a bit more fluid in Turkmenia. Ch. S. Karryyev replaced B. Geldyyev as republic party secretary (presumably for industry) in August 1976, when the latter retired for "health reasons." P. A. Annaorazov replaced Karryyev as first secretary in Ashkhabad Oblast, and was replaced as first secretary in Mary Oblast by A. Akgayev, formerly chairman of the Executive Committee there.

The other major change in Turkmenia came in June of this year, when R. Khudayberdyev replaced B. Charyyev as first secretary in Chardzhou Oblast after the latter had been ousted "for serious shortcomings in work." The fact that Khudayberdyev, formerly a rayon first secretary in Chardzhou Oblast, was selected to replace Charyyev is significant in itself, however. Under Khrushchev, chances are that a decision would have been made to bring someone in from outside to correct those "shortcomings," rather than trust the clean-up to local officials.

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In the meantime, the situation has been relatively calm in Uzbekistan. The arrival of L. I. Grekov as republic second secretary in July 1976--replacing V. G. Lomonosov, who had been appointed chairman of the USSR State Committee for Labor and Wages--has not set off a house-cleaning in Uzbekistan. The only changes to date came in February of this year, when A. K. Karimov replaced K. M. Murtazayev as first secretary in Bukhara Oblast, after the latter had been named chairman of the Uzbek Republic State Committee for Labor, and the selection of A. Karimov to replace A. A. Karimov as head of the Surkhandarya Oblast party unit. We have no information to date on the new head of the Surkhandarya party command, but suspect that he has come up through the ranks of that organization.

The situation has been even quieter in the Baltic republics. The only change in Estonia came in March of this year, when A. F. Ryuytel replaced F. S. Usanev as party secretary for agriculture. Usanev had retired "on pension" after having held the post for 23 years; Ryuytel is the former rector of the republic's agricultural academy. The only change in Latvia took place in October 1976, when G. K. Ziyemelis replaced B. K. Pugo as first secretary of the Riga city party organization. Pugo had been transferred "to other work"--a sign that he may have left office under a cloud. Ziyemelis had been chairman of the city Executive Committee, suggesting that whatever cloud hung over Pugo did not extend to other local officials in Riga.

Neighboring Lithuania also has had but one change to date--the selection of A. M. K. Brazauskas as republic party secretary (presumably for industry) in May of this year, after A. A. Ferenskas had been transferred to the top post with the republic trade union organization. Brazauskas had previously been the first deputy chairman of the republic's planning organization.

In Belorussia, Ye. Ye. Sokolov replaced V. A. Mikulich as party boss in Brest Oblast in March of this year, when Mikulich moved over into the top party job in Minsk Oblast after I. Ye. Polyakov replaced the late F. A. Surganov as chairman of the Presidium of the republic's Supreme Soviet. Sokolov had been chief of the agricultural department under the republic's central

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committee. The other change came in June of this year, when G. G. Bartoshevich replaced V. A. Lepeshkin as head of the Minsk city party organization. Lepeshkin had been transferred "to other work"; we have no information on Bartoshevich's background.

The Ukraine also has been relatively quiet since the 25th Party Congress. Ye. V. Kachalovsky replaced A. F. Vatchenko as first secretary of the Dnepropetrovsk Oblast party organization in June 1976, after Vatchenko had replaced I. S. Grushetsky as chairman of the Presidium of the republic's Supreme Soviet. Grushetsky had "retired on pension" at 72 years of age due to "deteriorating health," Kachalovsky had been second secretary of the Dnepropetrovsk organization. The other changes came in late June and early July of this year, after P. P. Kozyr "retired on pension" from his job as first secretary in Odessa Oblast. Kozyr was replaced there by N. K. Kirichenko, who was replaced as first secretary in the Crimea Oblast by V. S. Makarenko, formerly first secretary of the Sevastopol city party organization in that province.

Neighboring Moldavia also has but one change to date--the selection of Ye. P. Kalenk to replace S. K. Grossu as republic party secretary for industry after Grossu's appointment as republic premier in November 1976. That move had been set in motion by the appointment of Grossu's predecessor, P. A. Paskar, to one of the four first deputy chairmanships with the USSR Gosplan in July 1976.

In sum, relatively few important party jobs have changed hands since the 25th Party Congress, and very few party officials at this level have left office in disgrace since then. There certainly have been more cases of people being ousted for "cause" at lower echelons--for example, at the rayon level--but here, too, there have been relatively few cases that have been brought to the public's eye. The party bureaucracy usually has chosen to wash its dirty linen in private; cases such as the recent one in Azerbaydzhan, in which a rayon party secretary was sentenced to 13 years in a labor camp for extortion, remain the exception to the rule that says that even when such people must be punished, this must be done "quietly" lest the party's reputation suffer from unnecessary "revelations."

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